## STATE OF NEBRASKA



DEPARTMENT OF ENVIRONMENTAL QUALITY Jim Macy

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## DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM CATEGORICAL EXCLUSION

TO: All Interested Citizens, Government Agencies and Public Groups

In accordance with the Nebraska Drinking Water State Revolving Fund environmental review process, which is based on the National Environmental Policy Act, an environmental review has been performed on the proposed agency action below:

This information reviews the environmental impact likely from a project. This project is planned to be federally funded wholly or in part through your tax dollars; therefore, you are entitled to take part in its review. If you have concerns about the environmental impact of this project, please provide them at this time. The Nebraska Department of Environmental Quality encourages public input in this decision-making process.

PROJECT NAME:

Water Meters & Well Improvements

APPLICANT:

Edgar, Nebraska

COUNTY:

Clay

POPULATION:

498 (2010 census)

**DWSRF PROJECT NUMBER:** 

D311609

TOTAL PROJECT AMOUNT:

\$541,100

COMMUNITY DEVELOPMENT BLOCK GRANT:

\$250,000

ESTIMATED DWSRF LOAN FORGIVENESS:

\$72,775

\$218,325

ESTIMATED DWSRF LOAN AMOUNT:

The City of Edgar has applied for funding through the Drinking Water State Revolving Fund (DWSRF) program, jointly administered by the Nebraska Department of Health and Human Services Department of Public Health (DHHS) and the Nebraska Department of Environmental Quality (NDEQ), for installation of meters in their Public Water System (PWS), and to make miscellaneous improvements to their water supply wells. This is the first phase of a larger project, thus it may also include some planning costs for those future phases. Edgar has a permit issued to operate a PWS under the provisions of the Nebraska Safe Drinking Water Act and the Regulations Governing Public Water Supply Systems, Title 179. The City has been issued an Administrative Order to return into compliance with the Nitrate drinking water standard. This funding, in conjunction with the Community Development Block Grant (CDBG), will complete a necessary first project step that will assist in the design of subsequent phases, in order to return the City into compliance.

According to the DWSRF Priority Ranking System this project is considered to be a high priority, and was included on the Planning List in the State Fiscal Year 2016 Intended Use Plan (IUP). The project can be funded in accordance with the IUPs listed bypass criteria. Further, the majority of this project phase is categorically eligible for the Green Project Reserve, as the meters are being installed on previously unmetered service connections.

The project will have a positive impact on the environment. Installing meters will help in providing a better assessment of the water losses and/or unaccounted for water within the PWS, and will likely result in conservation by the system.

The City is eligible for a 20-year loan at an interest rate of 2.0 percent with 25% forgiveness assistance per the criteria listed in the IUP, based upon the City's Median Household Income level. In addition to principal and interest, an administrative fee of 1.0 percent of the loan balance will be assessed. Edgar's current flat rate for water service is \$26 per month. The projected annual DWSRF Debt Service (including 10% coverage) from the project is \$15,817. Normally, an approximate \$5 per month water rate increase would be needed; however, following construction, a metered rate structure will be established by Ordinance of the City Council consisting of a base or demand charge and a quantity usage charge. Monthly water bills would then be determined on meter size and actual monthly water use for each service connection, varying accordingly. That change may not necessarily lead to an actual rate increase for everyone, as those who use less water may then be billed less, accordingly.

The proposed project was reviewed for eligibility for a categorical exclusion from National Environmental Policy Act review specified in 40 CFR (Code of Federal Regulations) Part 6.204. The project meets all criteria described in the above reference and the Department has determined that this project is eligible for a categorical exclusion. Consequently, a preliminary decision has been made that a Finding of No Significant Impact will not be prepared. The project as proposed is solely a replacement of existing water service meters. Justification for categorical exclusion includes:

- The proposed action is not known or expected to have potentially significant environmental impacts on the quality of the human environment either individually or cumulatively over time;
- The proposed action is not known or expected to significantly affect federally listed threatened or endangered species or their critical habitat;
- The proposed action is not known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric archeological or cultural value, including but not limited to, property listed on or eligible for the National Register of Historic Places;
- The proposed action is not known or expected to significantly affect environmentally important natural resource areas as wetlands, prime farmland, wild and scenic rivers, and significant fish or wildlife habitat;
- Flood mapping of the City is not available; however, based upon the available surrounding mapping for the County it does appear that there a small flood zone areas within City limits. However there will not be any new disturbance within a flood area, as the water meters will either be installed within buildings or in pits along existing service lines.
- The proposed action is not known or expected to have a significant effect on the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use plans or federal land management plans;

The City Council held a public hearing on December 8, 2015, for the CDBG funding, which was advertised 18 days in advance. Their engineer and a representative from DHHS and the Nebraska Rural Water Association were present to answer questions. Discussion was held on the meter project phase, the availability funding and the likely impact to water rates. A question was asked who would be setting water rates, and it was responded that would be the City's responsibility. With only a nominal rate increase required, the proposed action is not known or expected to cause significant public controversy.

The system last underwent a routine sanitary survey by DHHS in April of 2013, wherein no deficiencies were noted. That completed survey is the first step of the Technical, Financial, and Managerial (TFM) program policy. The City will still be required to undergo an Initial, and if necessary, a Final TFM Assessment by the DHHS, to ensure that their capabilities meet the requirements of the Safe Drinking Water Act, and wherein that assessment(s) will be uploaded to the project file. Lastly, their current Environmental Tracking Tool score is 5, below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

The NDEQ shall revoke the categorical exclusion and shall require a full environmental review if, subsequent to the granting of exclusion, the state determines that the proposed project no longer meets the requirements for a categorical exclusion due to changes in the proposed project; or new evidence reveals that serious local or environmental issues exist; or federal, state, local or tribal laws are being violated.

This action is taken on the basis of careful review of the application and other supporting data, which are on file in the office of the NDEQ. These are available for public review upon request. Persons having a comment on this categorical exclusion determination are encouraged to submit such comments directly to Steve McNulty, DHHS at (402) 471-1006 or email steve.mcnulty@nebraska.gov, or John Danforth, NDEQ at (402) 471-3373 or email john.r.danforth@nebraska.gov.

Sincerely

Jim Macy Director

Signed this 23<sup>rd</sup> day of <u>December</u>

JM/tsf

Attachments: Distribution List

Map

## CATEGORICAL EXCLUSION DISTRIBUTION LIST EDGAR, NEBRASKA

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DEPARTMENT OF THE INTERIOR FISH AND WILDLIFE SERVICE Jeff Runge 9325 South Alda Road Wood River, NE 68883

NATIONAL PARK SERVICE Nick Chevance Environmental Coordinator Midwest Regional Office 601 Riverfront Drive Omaha, NE 68102-4226 USDA RURAL DEVELOPMENT Ken Shaw Room 308, Federal Building 100 Centennial Mall North Lincoln, NE 68508

ENVIRONMENTAL PROTECTION AGENCY Chris Simmons/Kelly Beard-Tittone 11201 Renner Blvd Mail Code: WWPDWIMB Lenexa, KS 66219

STATE CONSERVATIONIST Natural Resources Conservation Service Federal Building, Room 345 100 Centennial Mall North Lincoln, NE 68508

DEPARTMENT OF THE ARMY John Moeschen State Program Manager US Army corps of Engineers Nebraska State Office, Suite 1 8901 South 154<sup>th</sup> Street Omaha, NE 68138-3621

APPLICANT: Bred Brennfoeder, Mayor City of Edgar PO Box 485 Edgar, NE 68935-0485

CONSULTING ENGINEER: Michael Shultes, P.E. JEO Consulting Group, Inc. 308 W. 3<sup>rd</sup> Street, Suite 1 Grand Island, NE 68801-5941

LOCAL NEWSPAPER
The Clay County News
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(Public Information Only not for Public Notice)

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